

1 COMMUNITY COLLEGES

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3
4 EXECUTIVE BUDGET BILL
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6 A bill to make appropriations for community colleges and
7 certain state purposes related to education for the fiscal year
8 ending September 30, 2008; to provide for the expenditure of those
9 appropriations; to establish or continue certain funds, programs,
10 and categories; and to prescribe the powers and duties of certain
11 state departments, institutions, agencies, employees, and officers.
12

13 THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

14 PART 1

15 LINE-ITEM APPROPRIATIONS

16 Sec. 101. Subject to the conditions set forth in this bill,
17 the amounts listed in this part are appropriated for community
18 colleges and certain other state purposes relating to education for
19 the fiscal year ending September 30, 2008, from the funds indicated
20 in this part. The following is a summary of the appropriations in
21 this part:

22 COMMUNITY COLLEGES

23 APPROPRIATION SUMMARY:

24 GROSS APPROPRIATION..... \$ 297,369,000

25 Interdepartmental grant revenues:

26 Total interdepartmental grants and intradepartmental

27 transfers 0

28 ADJUSTED GROSS APPROPRIATION..... \$ 297,369,000

29 Federal revenues:

30 Total federal revenues 0

31 Special revenue funds:

32 Total local revenues 0

1	Total private revenues.....	0
2	Total other state restricted revenues.....	0
3	State general fund/general purpose.....	\$ 297,369,000
4	Sec. 102. OPERATIONS	
5	Alpena Community College.....	\$ 5,027,400
6	Bay de Noc Community College.....	5,073,600
7	Delta College.....	13,641,900
8	Glen Oaks Community College.....	2,291,400
9	Gogebic Community College.....	4,145,500
10	Grand Rapids Community College.....	17,125,000
11	Henry Ford Community College.....	20,838,300
12	Jackson Community College.....	11,516,000
13	Kalamazoo Valley Community College.....	11,806,600
14	Kellogg Community College.....	9,263,400
15	Kirtland Community College.....	2,817,800
16	Lake Michigan College.....	4,994,400
17	Lansing Community College.....	29,613,100
18	Macomb Community College.....	31,618,500
19	Mid Michigan Community College.....	4,213,200
20	Monroe County Community College.....	4,110,000
21	Montcalm Community College.....	2,962,300
22	C.S. Mott Community College.....	14,952,200
23	Muskegon Community College.....	8,499,700
24	North Central Michigan College.....	2,880,700
25	Northwestern Michigan College.....	8,667,100
26	Oakland Community College.....	19,972,100
27	St. Clair County Community College.....	6,698,100
28	Schoolcraft College.....	11,678,200
29	Southwestern Michigan College.....	6,274,100

1	Washtenaw Community College.....	11,981,600
2	Wayne County Community College.....	15,820,000
3	West Shore Community College.....	<u>2,189,100</u>
4	GROSS APPROPRIATION.....	\$ 290,671,300
5	Appropriated from:	
6	State general fund/general purpose.....	\$ 290,671,300
7	Sec. 103. GRANTS	
8	At-risk student success program.....	\$ 3,322,700
9	Renaissance zone tax reimbursement funding.....	<u>3,375,000</u>
10	GROSS APPROPRIATION.....	\$ 6,697,700
11	Appropriated from:	
12	State general fund/general purpose.....	\$ 6,697,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is \$297,369,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$297,369,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

23	Operations.....	\$ 290,671,300
24	At-risk student success program.....	3,322,700
25	Renaissance zone tax reimbursement program.....	<u>3,375,000</u>
26	TOTAL.....	\$ 297,369,000

Sec. 202. The appropriations authorized under this bill are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

1 Sec. 203. Unless otherwise specified, a community college
2 receiving appropriations in part 1 and the department of labor and
3 economic growth shall use the Internet to fulfill the reporting
4 requirements of this bill. This requirement may include
5 transmission of reports via electronic mail to the recipients
6 identified for each reporting requirement or it may include
7 placement of reports on an Internet or Intranet site.

8 Sec. 208. The department of labor and economic growth shall
9 continue to work collaboratively with community colleges to
10 implement an accelerated entrepreneurship curriculum, including an
11 associate degree, to provide students with the skills and knowledge
12 needed for creating their own businesses.

13 Sec. 209. Funds appropriated in part 1 shall not be used for
14 the purchase of foreign goods or services, or both, if
15 competitively priced and comparable quality American goods or
16 services, or both, are available. Preference should be given to
17 goods or services, or both, manufactured or provided by Michigan
18 businesses if they are competitively priced and of comparable
19 quality.

20 Sec. 210. The principal executive officer of each community
21 college receiving appropriations in part 1 shall take all
22 reasonable steps to ensure businesses in deprived and depressed
23 communities compete for and perform contracts to provide services
24 or supplies, or both. Each principal executive officer shall
25 strongly encourage firms with which the community college contracts
26 to subcontract with certified businesses in depressed and deprived
27 communities for services or supplies, or both.

28 Sec. 211. (1) The money appropriated in this bill is
29 appropriated for community colleges with fiscal years ending June

1 30, 2008, and shall be paid out of the state treasury and
2 distributed by the state treasurer to the respective community
3 colleges in 11 monthly installments on the sixteenth of each month,
4 or the next succeeding business day, beginning with October 16,
5 2007. Each community college shall accrue its July and August 2008
6 payments to its institutional fiscal year ending June 30, 2008.
7 However, if a community college fails to submit all verified
8 Michigan community colleges activities classification structure
9 data for the prior school year to the department of labor and
10 economic growth by November 1, the monthly installments shall be
11 withheld from that community college until those data are
12 submitted.

13 (2) Except as otherwise provided by law, each of the amounts
14 appropriated shall be used solely for the respective purposes
15 stated in this bill. The money appropriated by this bill may be
16 used to match the cost of any available programs under the Carl D.
17 Perkins vocational and applied technology education act of 1998, 20
18 USC 2301 to 2415, including local administration.

19 Sec. 216. (1) A community college shall pay the employer's
20 contributions to the Michigan public school employees' retirement
21 system created by the public school employees retirement act of
22 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of
23 receiving money appropriated under this bill.

24 (2) A community college shall not pay an employer's
25 contribution to more than 1 retirement fund providing benefits for
26 an employee.

27 Sec. 217. Money appropriated in part 1 shall not be used to
28 pay for the construction or maintenance of a self-liquidating
29 project. Any construction, renovation, or other capital outlay

1 project that exceeds \$1,000,000.00 requires the approval of a use
2 and finance statement by the joint capital outlay subcommittee
3 (JCOS) pursuant to JCOS policy.

4 Sec. 224. Recognizing the critical importance of education in
5 strengthening Michigan's workforce, the state's public community
6 colleges are encouraged to explore ways of increasing collaboration
7 and cooperation with 4-year universities, particularly in the areas
8 related to training, instruction, and program articulation.

9 Sec. 234. Community colleges shall do the following:

10 (a) Undertake active measures to promote equal opportunities,
11 eliminate discrimination, and foster a diverse student body and
12 administration among all people including, but not limited to,
13 women, minorities, seniors, veterans, and people with disabilities.

14 (b) Review, analyze, and eradicate activities that may tend to
15 discriminate.

16 Sec. 241. Community colleges are encouraged to expand their
17 current nursing education programs and increase nursing education
18 program enrollments. This expansion may include, but is not
19 limited to, creating partnerships with hospitals and other health
20 care providers, expanding the focus and utilization of the nursing
21 scholarship program, and redirecting existing institutional
22 resources toward nursing education programs.

23 24 **STATE AID - OPERATIONS**

25 Sec. 301. Unless otherwise stated, all data items used in
26 determining state aid in this bill are as defined in the 2001
27 Manual for Uniform Financial Reporting, Michigan Public Community
28 Colleges, which shall be the basis for reporting data, and the 2003
29 Activities Classification Structure Manual for Michigan Community

1 Colleges, which shall be used to document financial needs of the
2 community colleges.

3 Sec. 302. A community college shall not include in the
4 enrollment data reported for determining state aid under this bill
5 any student credit hours or student contact hours for a student
6 incarcerated in a Michigan penal institution. Exclusion of these
7 students is intended to avoid the payment of state aid under this
8 bill for the same individuals for whom reimbursement is provided by
9 the state correctional system.

10 Sec. 303. A community college selected for audit under section
11 502 whose audited activities classification structure data is
12 significantly different than the data used to determine state aid
13 under this bill shall return any overappropriated money as provided
14 in this subsection. The department of labor and economic growth
15 shall compare formula computations for the audited colleges using
16 pre- and post-audit data. If the state allocation is 2% or more
17 than the post-audit allocation amount, the college shall return the
18 excess money. The returned money shall be redistributed to all 28
19 community colleges, prorated on the base appropriations contained
20 in part 1.

21 22 GRANTS

23 Sec. 401. (1) The community college at-risk student success
24 program is continued. The funding shall be prorated among
25 community colleges based on the number of student contact hours for
26 developmental and preparatory instruction reported by each
27 community college to the department of labor and economic growth
28 pursuant to the 2003 Activities Classification Structure Manual for
29 Michigan Community Colleges. Of the amount appropriated in part 1

for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges.

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated money shall be distributed on a proration utilizing the sum of the most recent 3 years developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2008, the at-risk student success program money is allocated as follows:

Alpena Community College.....	\$80,500
Bay de Noc Community College.....	76,600
Delta College.....	99,400
Glen Oaks Community College.....	115,100
Gogebic Community College.....	58,200
Grand Rapids Community College.....	128,700
Henry Ford Community College.....	159,200
Jackson Community College.....	113,800
Kalamazoo Valley Community College.....	91,100
Kellogg Community College.....	167,400
Kirtland Community College.....	129,000
Lake Michigan College.....	155,100
Lansing Community College.....	143,800
Macomb Community College.....	84,300
Mid Michigan Community College.....	147,900
Monroe County Community College.....	103,900

1	Montcalm Community College.....	66,000
2	C.S. Mott Community College.....	105,700
3	Muskegon Community College.....	81,800
4	North Central Michigan College.....	116,200
5	Northwestern Michigan College.....	122,600
6	Oakland Community College.....	147,500
7	St. Clair Community College.....	110,500
8	Schoolcraft College.....	128,500
9	Southwestern Michigan College.....	145,100
10	Washtenaw Community College.....	153,700
11	Wayne County Community College.....	147,400
12	West Shore Community College.....	143,700

13 (4) As used in this bill, "at-risk students" means students
14 who meet 1 or more of the following criteria:

15 (a) Are initially placed in 1 or more developmental courses as
16 a result of standardized testing or as a result of failure to make
17 satisfactory academic progress.

18 (b) Are diagnosed as learning disabled.

19 (c) Require English as a second language (ESL) assistance.

20 (5) Grant funding under this section shall be utilized to
21 address the special needs of at-risk students. Activities related
22 to services provided to at-risk students include, but are not
23 limited to, pretesting for academic ability, counseling contacts,
24 and special programs. Equipment or information technology hardware
25 or software purchased under this section must be associated with
26 the operation of a program designed to address the needs of at-risk
27 students.

1 (6) Grant funding under this section shall not be used for
2 indirect costs including, but not limited to, rent, utilities, or,
3 except as provided in this section, college administration.

4 (7) Each community college shall report to the department of
5 labor and economic growth a summary of all accomplishments under,
6 expenditures for, and compliance with the intent of this program,
7 including the number of at-risk students served. The report is
8 subject to audit as provided for in section 502(1). The report
9 shall be submitted not later than 90 days after the end of the
10 state's fiscal year.

11 Sec. 404. The appropriation in part 1 for renaissance zone
12 reimbursements shall be made to each eligible recipient no later
13 than 60 days after the department of treasury certifies to the
14 state budget director that it has received all necessary
15 information to properly determine the amounts due each eligible
16 recipient under section 12 of the Michigan renaissance zone act,
17 1996 PA 376, MCL 125.2692.

18 19 **REPORTS AND AUDITS**

20 Sec. 501. The department of labor and economic growth shall
21 publish the activities classification structure data book for
22 Michigan community colleges on or before March 1, 2008, for use by
23 the legislature during budget development for the fiscal year
24 ending September 30, 2009.

25 Sec. 502. (1) The auditor general or an independent public
26 accounting firm appointed by the auditor general shall audit data
27 for the fiscal year ending on June 30, 2007, as submitted to the
28 department of labor and economic growth by 7 randomly selected
29 community colleges, selected by the auditor general. A community

1 college shall maintain and provide those records necessary for the
2 auditor general or certified public accountant appointed by the
3 auditor general to determine the accuracy of the reported data.
4 The audits shall be based upon the definitions and requirements
5 contained in the 2001 Manual for Uniform Financial Reporting,
6 Michigan Public Community Colleges and the 2003 Activities
7 Classification Structure Manual for Michigan Community Colleges.
8 Before the submission of a final audit report, a community college
9 may appeal the findings of the preliminary report under an appeal
10 process to be established by the auditor general. The auditor
11 general shall submit a report of the findings to the house and
12 senate appropriations committees, the department of labor and
13 economic growth, and the state budget director before June 1, 2008.

14 (2) The auditor general or a certified public accountant
15 appointed by the auditor general may conduct performance audits of
16 community colleges as the auditor general considers necessary.

17 (3) Not more than 60 days after an audit report is released by
18 the office of the auditor general, the principal executive officer
19 of the community college that was audited shall submit to the house
20 and senate appropriations committees, the house and senate fiscal
21 agencies, the department of labor and economic growth, the auditor
22 general, and the state budget director a plan to comply with audit
23 recommendations. The plan shall contain projected dates and
24 resources required, if any, to achieve compliance with the audit
25 recommendations, or a documented explanation of the college's
26 noncompliance with the audit recommendations concerning the matters
27 on which the audited community college and office of the auditor
28 general disagree.

1 Sec. 503. The department of labor and economic growth shall
2 review the taxonomy of the 7 community colleges selected for the
3 audit under section 502 that is based on the 2003 Activities
4 Classification Structure Manual for Michigan Community Colleges.

5 Sec. 504. (1) A community college shall retain certified class
6 summaries, class lists, registration documents, and student
7 transcripts that are consistent with the taxonomy of courses. For
8 each enrollment period during the fiscal year, these certified
9 documents shall identify clearly by course the number of in-
10 district and out-of-district student credit and contact hours. The
11 class summaries and class lists shall be consistent with each other
12 and shall include the course prefix and numbers, course title,
13 course credit and contact hours, credit and contact hours generated
14 by each student, and activity classifications consistent with the
15 taxonomy. An auditable process shall be used by the community
16 college to determine the unduplicated head count for in-district
17 students, out-of-district students, and prisoners for each
18 enrollment period during the fiscal year.

19 (2) Contracts between the community college and agencies that
20 reimburse the community college for the costs of instruction shall
21 be retained for audit purposes.

22 Sec. 505. Each community college shall have an annual audit of
23 all income and expenditures performed by an independent auditor and
24 shall furnish the independent auditor's management letter and an
25 annual audited accounting of all general and current funds income
26 and expenditures including audits of college foundations to the
27 members of the senate and house appropriations subcommittees on
28 community colleges, the senate and house fiscal agencies, the
29 auditor general, the department of labor and economic growth, and

1 the state budget director before November 15, 2007. If a community
2 college fails to furnish the audit materials, the monthly state aid
3 installments shall be withheld from that college until the
4 information is submitted. All reporting shall conform to the
5 requirements set forth in the 2001 Manual for Uniform Financial
6 Reporting, Michigan Public Community Colleges.

7 Sec. 506. (1) Each community college shall report the
8 following to the department of labor and economic growth no later
9 than November 1, 2007:

10 (a) The number of North American Indian students enrolled each
11 term for the previous fiscal year, using guidelines and procedures
12 developed by the department of labor and economic growth and the
13 Michigan commission on Indian affairs.

14 (b) The number of Indian tuition waivers granted each term,
15 and the monetary value of the waivers for the previous fiscal year.

16 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
17 390.1251 to 390.1253, to determine eligibility for tuition waivers,
18 and shall grant those waivers to individuals who meet the criteria
19 and request tuition waivers.

20 (3) The department of labor and economic growth shall compile
21 the information received under subsection (1) and shall submit this
22 compilation to the house and senate appropriations subcommittees on
23 community colleges, the senate and house fiscal agencies, and the
24 state budget director by January 7, 2008.

25 Sec. 507. Upon request, a community college shall inform
26 interested Michigan high schools of the aggregate academic status
27 of its students for the prior academic year, in a manner prescribed
28 by the Michigan community college association and in cooperation
29 with the Michigan association of secondary school principals.

1 Sec. 508. (1) Each community college shall report to the house
2 and senate fiscal agencies, the state budget director, and the
3 department of labor and economic growth by August 31, 2007, the
4 tuition and mandatory fees paid by a full-time in-district student
5 and a full-time out-of-district student as established by the
6 college governing board for the 2007-2008 academic year. This
7 report should also include the annual cost of attendance based on a
8 full-time course load of 30 credits. Each community college shall
9 also report any revisions to the reported 2007-2008 academic year
10 tuition and mandatory fees adopted by the college governing board
11 to the house and senate fiscal agencies, the state budget director,
12 and the department of labor and economic growth within 15 days of
13 being adopted.

14 (2) The department of labor and economic growth shall prepare
15 and provide to community colleges a standard format for reporting
16 tuition and fees pursuant to subsection (1).

17 Sec. 509. (1) Each community college shall report to the
18 department of labor and economic growth the numbers and type of
19 associate degrees and other certificates awarded during the
20 previous fiscal year. The report shall be made not later than
21 November 15, 2007.

22 (2) The department of labor and economic growth shall compile
23 the information received under subsection (1) and shall submit this
24 compilation to the house and senate appropriations subcommittees on
25 community colleges, the senate and house fiscal agencies, and the
26 state budget director by January 7, 2008.

27 Sec. 510. A community college receiving funding under this
28 bill and also subject to the student right-to-know and campus
29 security act, Public Law 101-542, 104 Stat. 2381, shall make a copy

1 of all material prepared in accordance with the public information
2 reporting requirements under the crime awareness and campus
3 security act of 1990, title II of the student right-to-know and
4 campus security act, Public Law 101-542, 104 Stat. 2384, available
5 in hard copy and electronic format accessible through the Internet
6 for school districts, parents, and students.